

108 (140)

BEGIN — JUNE 11, 1959

SECOND NIGHT LEAD BIG FOUR
GENEVA, JUNE 11 (AP)—THE WESTERN BIG THREE WARNED THE SOVIETS TODAY THAT THE GENEVA CONFERENCE MIGHT COLLAPSE "IN A FEW DAYS" UNLESS THEY DROPPED THEIR INSISTENCE ON A ONE-YEAR DEADLINE FOR ENDING THE OCCUPATION OF WEST BERLIN.

SECRETARY OF STATE CHRISTIAN A. HERTER, IN A TENSE SECRET MEETING, MADE IT CLEAR TO SOVIET FOREIGN MINISTER ANDREI A. GROMYKO THAT THE WEST WOULD REFUSE TO BARGAIN UNDER "THREATS OR DURESS."

A U.S. SPOKESMAN DISCLOSED TONIGHT THAT GROMYKO ASSURED HERTER THAT THE SOVIET PROPOSALS PRESENTED YESTERDAY DID NOT CONSTITUTE AN ULTIMATUM.

APPARENTLY UNCONVINCED THAT MOSCOW WAS READY TO DROP ITS TIME LIMIT DEMAND ENTIRELY, HERTER TOLD GROMYKO THAT THE WESTERN POWERS INTENDED TO GO AHEAD WITH THE GENEVA TALKS ON A DAY-TO-DAY BASIS.

HERTER TOLD GROMYKO THAT HIS PLANE IS READY TO LEAVE FOR WASHINGTON ON FOUR HOURS' NOTICE IF THE RUSSIANS REFUSE TO BARGAIN REASONABLY.

EXERTING MAXIMUM DIPLOMATIC PRESSURE, AMERICAN OFFICIALS SAID GROMYKO'S ONE-YEAR TIME LIMIT PROPOSAL DOES NOT EVEN FORM "A BASIS FOR DISCUSSION."

THEY REPORTED THE SOVIET FOREIGN MINISTER LISTENED IN A STIFF AND FORMAL MANNER AS HERTER, AS SPOKESMAN FOR THE WESTERN POWERS, WARNED HIM THEY TOOK A SERIOUS VIEW OF THE LATEST RUSSIAN MOVE.

ALTHOUGH FAMILIAR WITH ENGLISH, GROMYKO INSISTED ON A RUNNING TRANSLATION OF HERTER'S STATEMENT INTO RUSSIAN.

WESTERN OFFICIALS DECLINED TO DISCLOSE GROMYKO'S REACTION. PRESUMABLY HE INTENDS TO COMMUNICATE WITH SOVIET PREMIER NIKITA S. KHRUSHCHEV BEFORE GIVING A DEFINITIVE REPLY.

KHRUSHCHEV, WHO IS VISITING THE LATVIAN CAPITAL OF RIGA, MEANWHILE LASHED OUT AT THE WEST FOR REJECTING THE RUSSIAN PROPOSALS AND PURSUING WHAT HE CALLED A POWER POLICY.

THE SOVIET LEADER SAID GROMYKO'S PROPOSALS "WOULD LOWER TENSION IN EUROPE AND LIQUIDATE FOREVER THE REMNANTS OF WORLD WAR II."

HE EXPRESSED REGRET THAT THE UNITED STATES, BRITAIN AND FRANCE WERE REFUSING TO END THEIR OCCUPATION OF WEST BERLIN, WHICH HE DESCRIBED AS "ONE OF THE HOTTEST SPOTS ON EARTH."

AT A FORMAL BIG FOUR SESSION TOMORROW IN THE PALACE OF NATIONS, GROMYKO PRESUMABLY WILL HAVE A CHANCE TO REPLY PUBLICLY TO THE WESTERN COMPLAINTS THAT HE IS TRYING TO MAKE THEM NEGOTIATE UNDER "THREATS AND DURESS."

IN PRESENTING HIS PROPOSALS YESTERDAY, GROMYKO INSISTED THAT THEY WERE NOT IN THE FORM OF AN ULTIMATUM AND COULD BE NEGOTIATED.

UNDER THE GROMYKO PLAN, RUSSIA WOULD SUSPEND FOR ONE YEAR ITS DEMAND FOR AN IMMEDIATE END TO THE OCCUPATION RIGHTS OF THE UNITED STATES, BRITAIN AND FRANCE IN WEST BERLIN. THE RUSSIANS WOULD ALSO GUARANTEE THE WESTERN RIGHT OF FREE ACCESS TO THE ISOLATED CITY.

THE WESTERN ALLIES WOULD BE REQUIRED TO REDUCE THEIR 11,000-MAN GARRISON TO SYMBOLIC SIZE ONLY AND CURB SO-CALLED SUBVERSIVE ACTIVITIES IN WEST BERLIN AIMED AT THE COMMUNIST BLOC.

THIS IS THE CARDINAL CLAUSE OF THE PLAN THAT INDUCED SUCH A VIOLENT WESTERN REACTION: IF A COMMITTEE OF EAST GERMANS AND WEST GERMANS FAILED TO REACH AGREEMENT ON GERMAN UNITY AND A PEACE TREATY WITHIN ONE YEAR, THEN THE RED BLOC WOULD SIGN A SEPARATE TREATY WITH EAST GERMANY.

IN THE SOVIET VIEW, SUCH A SEPARATE PEACE TREATY WOULD END THE

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ALLIED OCCUPATION OF WEST BERLIN, AND SOVIET CONTROLS OVER THE CITY'S SUPPLY LIFELINES WOULD BE TURNED OVER TO THE EAST GERMANS.

THE MEETING IN GROMYKO'S VILLA TOOK PLACE AFTER HERTER CONFERRED WITH BRITISH FOREIGN SECRETARY SELWYN LLOYD, FRENCH FOREIGN MINISTER MAURICE COUVE DE MURVILLE AND THE HEAD OF WEST GERMAN DELEGATION, AMBASSADOR WILHELM GREWE.

SOVIET SOURCES SAID GROMYKO ASSURED HERTER THAT THE SOVIET PROPOSALS DID NOT CONSTITUTE AN ULTIMATUM "AND SHOULD NOT BE CONSIDERED AS SUCH."

THE SOURCES INDICATED THAT THERE MIGHT BE SOFTENING OF THE SOVIET POSITION ON THE TIME LIMIT OVER THE NEXT DAYS.

SILENT AND GRIM-FACED, HERTER LEFT GROMYKO'S VILLA AND DROVE STRAIGHT TO LLOYD'S TOWN HOUSE TO REPORT TO HIS WESTERN COLLEAGUES.

LATER, THE WESTERN MINISTERS ISSUED A JOINT STATEMENT.

"NO RECESS WAS DISCUSSED," THE STATEMENT SAID, "BUT IT WAS MADE CLEAR TO MR. GROMYKO BY SECRETARY HERTER THAT THE TALKS IN THE NEXT FEW DAYS WOULD DETERMINE THE OUTCOME OF THE CONFERENCE."

WESTERN INFORMANTS SAID HERTER'S WARNING PLAINLY WAS INTENDED TO SHOCK GROMYKO INTO A MORE COMPROMISING NEGOTIATING POSITION.

EASTERN SOURCES SAID THE SOVIETS FEAR THAT COLLAPSE OF THE BERLIN TALKS JUST AFTER PRESENTATION OF THEIR TIME LIMIT PROPOSAL WOULD TEND TO PUT THE ONUS ON THEM.

THE WESTERN PROPOSALS CALL FOR A SOVIET REAFFIRMATION OF ALLIED RIGHTS IN WEST BERLIN, A FREEZE ON ALLIED TROOP LEVELS IN THE CITY, CURBS IN BOTH EAST AND WEST BERLIN ON SUBVERSION, AND A FOUR-POWER COMMISSION AIDED BY EAST GERMAN AND WEST GERMAN ADVISORS TO GUARD AGAINST VIOLATIONS OF THE AGREEMENT.

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BULLETIN

SECOND LEAD DAY BIG FOUR BY JOHN M. HIGHTOWER

GENEVA, JUNE 11 (AP)—SECRETARY OF STATE CHRISTIAN A. HERTER TODAY WARNED ANDREI A. GROMYKO HIS PLANE STANDS READY TO LEAVE AT FOUR HOURS NOTICE UNLESS RUSSIA BRINGS THE BIG FOUR CONFERENCE BACK ONTO A REASONABLE NEGOTIATING BASIS, WESTERN DIPLOMATS REPORTED.

THE AMERICAN STATESMAN'S BLUNT WARNING WAS DELIVERED IN THE COURSE OF AN ~~11-MINUTE~~ MEETING WITH THE RUSSIAN.

ON BEHALF OF BRITAIN AND FRANCE AS WELL AS THE UNITED STATES, HERTER SAID THE WEST TOOK A SERIOUS VIEW OF THE LATEST DEVELOPMENTS IN THE BIG FOUR CONFERENCE. ~~40-MINUTE~~ ^{45-MINUTE}

HE WAS REFERRING TO RUSSIA'S PROPOSAL FOR A ONE-YEAR DEAD-LINE AS PART OF A NEW PLAN FOR A STOPGAP SETTLEMENT OF THE BERLIN CRISIS.

THE THREE WESTERN POWERS THEN ISSUED A JOINT STATEMENT SAYING THE BIG FOUR CONFERENCE IS NOW ON A DAY TO DAY BASIS.

THE STATEMENT IN WHICH WEST GERMANY JOINED, SAID HERTER INFORMED GROMYKO OF THE SERIOUS VIEW THE FOUR WESTERN POWERS TOOK "CONCERNING DEVELOPMENTS IN THE CONFERENCE DURING THE PAST FEW DAYS AND THEIR EFFECT ON THE NEGOTIATIONS IN PROCESS."

"NO RECESS WAS DISCUSSED," THE STATEMENT SAID, "BUT IT WAS MADE CLEAR TO MR. GROMYKO BY SECRETARY HERTER THAT THE TALKS IN THE NEXT FEW DAYS WOULD DETERMINE THE OUTCOME OF THE CONFERENCE."

INFORMANTS SAID IT WAS CLEAR THAT HERTER'S WARNING WAS INTENDED TO IMPRESS UPON THE SOVIETS THAT UNLESS THEY PULLED BACK THEIR PROPOSAL FOR A ONE-YEAR DEADLINE THIS CONFERENCE COULD NO LONGER GO ON.

THE AMERICAN'S READINESS TO WALK OUT OF THE GENEVA TALKS ALSO CLEARLY WAS INTENDED TO SHOCK THE SOVIET UNION INTO A MORE COMPROMISING ATTITUDE.

GROMYKO'S REACTION TO THE HERTER WARNING WAS NOT DISCLOSED BY INFORMANTS.

HERTER REPORTED ON HIS CONVERSATION IMMEDIATELY TO BRITISH FOREIGN SECRETARY SELWYN LLOYD, FRENCH FOREIGN MINISTER MAURICE COUVE DE MURVILLE AND AMBASSADOR WILHELM GREWE OF WEST GERMANY. EMERGING FROM THE MEETING COUVE DE MURVILLE TOLD NEWSMEN: "THE CONFERENCE IS CONTINUING. WE WILL SEE HOW IT DEVELOPS FROM DAY TO DAY."

THE PRIVATE MEETINGS HAD BEEN HELD IN A CRISIS ATMOSPHERE AMID RUMORS THAT THE FIVE-WEEK OLD CONFERENCE WOULD EITHER BREAK UP OR BE RECESSED FOR SEVERAL WEEKS.

GROMYKO TOUCHED OFF THE FUROR YESTERDAY BY CALLING FOR A ONE-YEAR DEADLINE ON THE END OF WESTERN OCCUPATION OF WEST BERLIN. AT THAT TIME SOME HIGH WESTERN OFFICIALS HAD EXPRESSED DOUBT AS TO THE USEFULNESS OF FURTHER TALKS.

SHORTLY AFTER COUVE DE MURVILLE'S BRIEF COMMENT, A SOVIET DIPLOMAT ALSO CONFIRMED THAT THE CONFERENCE WOULD CONTINUE. THE NEXT MEETING WILL BE AT 10 A.M. TOMORROW. THE CONFERENCE WILL THEN GO INTO A LONG WEEKEND.

TAKING THE LEAD FOR THE WEST IN THE BIG FOUR NEGOTIATIONS, HERTER MET WITH THE SOVIET FOREIGN MINISTER AFTER CONSULTING WITH HIS WESTERN COLLEAGUES.

HERTER HAD TALKED FOR 30 MINUTES WITH FOREIGN SECRETARY SELWYN LLOYD OF BRITAIN, FRENCH FOREIGN MINISTER MAURICE COUVE DE MURVILLE, AND AMBASSADOR WILHELM GREWE OF WEST GERMANY.

THE HERTER-GROMYKO MEETING LASTED ONE HOUR AND 50 MINUTES. THEN HERTER DROVE FROM THE SOVIET FOREIGN MINISTER'S VILLA TO A MEETING WITH LLOYD, TO FILL IN THE BRITISH FOREIGN SECRETARY ON THE RESULTS OF THE TALK.

GROMYKO SHOWED SOME SIGNS OF WILLINGNESS TO LOWER HIS PRICE FOR ENDING THE SOVIET THREAT TO WEST BERLIN TEMPORARILY.

HERTER AND HIS COLLEAGUES HAD TO FIND OUT, HOWEVER, WHETHER GROMYKO WAS WILLING TO LOWER THE PRICE ENOUGH TO MAKE FURTHER NEGOTIATION HOLD REASONABLE HOPE OF AGREEMENT.

THEY WERE COMPLETELY OPPOSED TO ACCEPTING THE SOVIET SUGGESTION FOR A ONE-YEAR DEADLINE ON A BERLIN SETTLEMENT, WHICH THE RUSSIANS COULD USE TO PROLONG THE THREAT OF A FUTURE BLOCKADE.

IT WAS UNDERSTOOD THAT THE METHOD OF APPROACH WAS TO TRY TO DETERMINE WHETHER THERE WERE ELEMENTS IN VARIOUS WESTERN PROPOSALS ON BERLIN AND IN THE UNACCEPTABLE SOVIET PACKAGE PLAN PUT IN YESTERDAY WHICH COULD BE PULLED OUT TO PROVIDE A HOPEFUL NEW BASIS FOR CONTINUING THE TALKS HERE.

FAILING THIS, AN EARLY COLLAPSE OF THE CONFERENCE WAS A SERIOUS POSSIBILITY.

GROMYKO DENIED WESTERN CHARGES THAT THE SOVIET PROPOSAL IS A TAKE-IT-OR-LEAVE-IT ULTIMATUM.

OTHER SOVIET SPOKESMEN SAID THE ONE-YEAR DEADLINE IS NEGOTIABLE AND INDICATED THE RUSSIANS MIGHT AGREE TO A LONGER PERIOD OF WESTERN OCCUPATION. SOVIET DEPUTY FOREIGN MINISTER VALERIAN ZORIN AT A PRESS BRIEFING CALLED ON THE WEST TO MAKE COUNTERPROPOSALS SO THAT THE NEGOTIATIONS COULD PROCEED.

THE WESTERN FOREIGN MINISTERS, HOWEVER, REMAINED ADAMANTLY OPPOSED TO ANY DEADLINE ON THEIR OCCUPATION OF THE FORMER GERMAN CAPITAL. U.S. SECRETARY OF STATE CHRISTIAN A. HERTER TOLD THE FOREIGN MINISTERS' CONFERENCE THAT THE WESTERN OCCUPATION RIGHTS WERE NOT GRANTED BY THE SOVIETS AND "THEY ARE NOT RIGHTS WHICH THE SOVIETS CAN CANCEL, ASSIGN OR MODIFY."

HERTER AND GROMYKO SCHEDULED A PRIVATE SESSION TODAY TO CONSIDER THE FUTURE OF THE CONFERENCE. IT APPEARED LIKELY THE GENEVA MEETING WOULD BREAK UP IN DISAGREEMENT WITHIN A FEW DAYS UNLESS THE RUSSIANS DRASTICALLY REVISED THEIR PROPOSAL.

THERE WAS SOME TALK OF A LONG SUSPENSION OF THE FOREIGN MINISTERS' TALKS WHILE DEPUTY FOREIGN MINISTERS OF THE FOUR NATIONS CARRY ON SOME NEGOTIATIONS.

WESTERN OFFICIALS BELIEVED GROMYKO HAD CONTACTED SOVIET PREMIER KHRUSHCHEV TO REPORT THE VIOLENT U.S.-BRITISH-FRENCH REACTION TO THE NEW SOVIET PROPOSAL AND TO DISCUSS THE POSSIBILITY OF MODIFICATIONS.

PRESIDENT EISENHOWER AND HERTER WERE REPORTED READY TO SCRAP ALL CONSIDERATION OF A SUMMIT CONFERENCE UNLESS THE SOVIET TERMS WERE SHARPLY MODIFIED.

THE FOREIGN MINISTERS' CONFERENCE ITSELF WAS IN RECESS FOR ONE DAY, WITH ANOTHER SEMIPUBLIC FORMAL SESSION SET FOR FRIDAY AFTERNOON. THIS GAVE ALL FOUR FOREIGN MINISTERS TIME TO CONSULT WITH THEIR GOVERNMENTS AT HOME.

THE NEW RUSSIAN PROPOSAL IN ESSENCE IS THIS: RUSSIA WOULD SUSPEND ITS DEMAND FOR AN IMMEDIATE END TO WESTERN OCCUPATION RIGHTS IN BERLIN AND WOULD GUARANTEE WESTERN SUPPLY LINES INTO WEST BERLIN FOR A YEAR.

IN RETURN THE WESTERN POWERS WOULD (1) REDUCE THEIR 10,000-MAN GARRISON IN WEST BERLIN TO SYMBOLIC CONTINGENTS TOTALING ABOUT 150 MEN, (2) WOULD ELIMINATE "HOSTILE PROPAGANDA" AND ALL "SUBVERSIVE ACTIVITIES" FROM WEST BERLIN AGAINST THE SOVIET BLOC, AND (3) WOULD BAN MISSILE INSTALLATIONS AND ATOMIC WEAPONS IN WEST BERLIN. THERE WAS NO SUGGESTION OF MATCHING COMMUNIST ACTION IN EAST BERLIN.

THE RUSSIAN PROPOSAL ALSO CALLS FOR A COMMITTEE OF EAST AND WEST GERMANS, FORMED ON AN EQUAL BASIS, TO WORK ON GERMAN UNIFICATION PROBLEMS AND PEACE TREATY ISSUES DURING THE YEAR OF WESTERN OCCUPATION. IF THE COMMITTEE FAILED TO AGREE BECAUSE WEST GERMANY OR THE WESTERN POWERS "HINDERED" ITS WORK, THEN RUSSIA WOULD SIGN A PEACE TREATY WITH EAST GERMANY AND GIVE IT CONTROL OF THE ALLIED SUPPLY ROUTES INTO EAST BERLIN.

ALL THREE WESTERN MINISTERS JUMPED ON GROMYKO'S PLAN. FRANCE'S MAURICE COUVE DE MURVILLE CALLED IT A GREAT DISAPPOINTMENT. SELWYN LLOYD OF BRITAIN TERMED IT A THREAT AND A "DIKTAT" AND ASKED WHETHER THE SOVIET UNION WAS TRYING TO BREAK OFF THE CONFERENCE. HERTER, MAKING THE MAJOR WESTERN ATTACK, REJECTED THE PLAN AS WHOLLY UNACCEPTABLE AND A DISPLAY OF PRESSURE TACTICS. HE SAID GROMYKO SHOULD KNOW BY NOW THAT THE UNITED STATES WILL NEVER NEGOTIATE UNDER DEADLINES, THREATS OR DURESS. UM311AED

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NUCLER (320)
BY TOM OCHILTREE
GENEVA, JUNE 11 (AP)—SECRETARY OF STATE CHRISTIAN A. HERTER REVIEWED AMERICAN POLICY TODAY ON THE FALTERING BIG THREE TALKS FOR THE SUSPENSION OF NUCLEAR WEAPONS TESTS.

OVER A LUNCHEON TABLE HERTER DISCUSSED WITH U.S. AMBASSADOR JAMES J. WADSWORTH AND JOHN A. MCCONE, CHAIRMAN OF THE ATOMIC ENERGY COMMISSION, THE PROSPECTS OF A TEST SUSPENSION TREATY.

AT THE MOMENT THOSE PROSPECTS ARE DIM.

MCCONE ARRIVED IN GENEVA LAST NIGHT.

HE SAIT IN ON TODAY'S 35-MINUTE CONFERENCE SESSION OF U.S. BRITISH AND SOVIET DELEGATES IN THE PALACE OF NATIONS, BUT TOOK NO PART IN THE PROCEEDINGS.

SOVIET DELEGATE SEMYON TSARAPKIN MET MCCONE. LATER TSARAPKIN TOLD REPORTERS HE THOUGHT MCCONE REPRESENTED A GROUP IN THE AEC "WHICH IS AGAINST SEEING AN AGREEMENT REACHED HERE."

BECAUSE SOME PERSONS IN WASHINGTON HAVE QUESTIONED THE WISDOM OF ENTERING INTO A NUCLEAR WEAPONS TEST BAN, THE RUSSIANS HAVE CLAIMED THE UNITED STATES IS NOT INTERESTED IN GETTING A TREATY.

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WADSWORTH HAS DENIED THIS. HE HAS POINTED OUT THAT IT IS THE POLICY OF THE EISENHOWER ADMINISTRATION TO TRY FOR A TIGHTLY ENFORCED TEST BAN, REGARDLESS OF WHAT VIEWS MAY BE EXPRESSED BY INDIVIDUALS. TSARAPKIN INDICATED TO NEWSMEN THAT HE FINALLY UNDERSTANDS THIS DISTINCTION. HE SAID THE NUCLEAR NEGOTIATIONS ARE BEING CONDUCTED BETWEEN GOVERNMENTS AND NOT WITH THEIR AGENCIES. HE ADDED, HOWEVER, THAT HE STILL BELIEVES THE PENTAGON AND THE AEC OPPOSE A TREATY. WADSWORTH PRESIDED AT TODAY'S SESSION. HE AGAIN ASKED TSARAPKIN FOR CLARIFICATION ON HOW THE SOVIET PROPOSAL FOR A LIMITED NUMBER OF ON-SITE INSPECTIONS WOULD WORK IN PRACTICE. THE U.S. DELEGATE AND BRITISH MINISTER OF STATE DAVID ORMSBY-GORE ALSO WANTED TO KNOW WHETHER THE SOVIET UNION WAS READY TO REVISE ITS VETO LIST OF JAN. 30--A LIST WHICH WOULD GIVE THE KREMLIN A VETO OVER SUCH THINGS AS RECRUITING OF PERSONNEL FOR CONTROL POSTS AND MOBILE INSPECTION TEAMS. TSARAPKIN REPLIED THAT THERE WOULD BE NO VETO ON A LIMITED INSPECTION SYSTEM, BUT THIS ANSWER WAS TOO VAGUE TO MEET WESTERN REQUIREMENTS.

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PRECEDENCE STOCKHOLM (290)
KHRUSHCHEV
BY PRESTON GROVER
MOSCOW, JUNE 11 (AP)--SOVIET PREMIER NIKITA KHRUSHCHEV TODAY CALLED ON NORWAY AND DENMARK TO RECONSIDER THEIR MEMBERSHIP IN NATO AND PROPOSED MAKING THE BALTIC AREA A NUCLEAR-FREE ZONE. THE SOVIET LEADER MADE THE PROPOSALS IN A SPEECH AT RIGA, LATVIA, JUST ACROSS THE BALTIC SEA FROM SCANDINAVIA. HE WAS ADDRESSING HIMSELF PRIMARILY TO DENMARK AND NORWAY--MEMBERS OF NATO--BUT REFERRED TO FINLAND AND SWEDEN AS OTHER PARTS OF A ZONE WHERE ROCKETS AND NUCLEAR WEAPONS WOULD BE FORBIDDEN UNDER HIS PLAN.

THE PROPOSAL HAS BEEN MADE BEFORE BUT THIS WAS THE FIRST TIME KHRUSHCHEV HAS PRESENTED IT DIRECTLY TO THE SCANDINAVIAN COUNTRIES HE IS SCHEDULED TO VISIT IN AUGUST.

"WE HAVE SYMPATHY FOR THESE COUNTRIES," KHRUSHCHEV SAID. "THEY WOULD SHOW GREAT COURAGE IF THEY REALLY WEIGHED CORRECTLY AND UNDERSTOOD THE SITUATION." THEN HE ADDED:

"I HOPE THAT THEY WILL CORRECTLY UNDERSTAND ME IN NORWAY AND DENMARK IF I SAY THAT THESE COUNTRIES HAVE LANDED IN THE ATLANTIC BLOC BY A MISUNDERSTANDING.

"THE SOVIET UNION SUPPORTS THE IDEA OF CREATING A ROCKET AND ATOM FREE ZONE IN THE SCANDINAVIAN PENINSULA AND IN THE AREA OF THE BALTIC SEA," KHRUSHCHEV SAID.

"IT WOULD BE VERY IMPORTANT TO THE PEOPLE OF ALL SCANDINAVIAN COUNTRIES IF IT BECAME AN AREA OF NO ATOMIC WEAPONS, IN WHICH THERE ARE NO BASES OF OTHER NATIONS."

HE ATTACKED WEST GERMAN CHANCELLOR KONRAD ADENAUER, DECLARING "HE IS POISONING THE WHOLE ATMOSPHERE OF GERMANY AND THE WEST," IN WHAT HE CALLED A HOPELESS EFFORT TO REMAIN CHANCELLOR.

THE SOVIET LEADER DECLARED THAT THE RUSSIANS MADE A SENSIBLE PROPOSAL AT GENEVA FOR SETTLING THE GERMAN AND BERLIN QUESTIONS, BUT THE WEST REJECTED THESE, ALTHOUGH THE RUSSIANS FELT "THEY OUGHT TO BE OF INTEREST TO WESTERN POWERS."

THEN HE ADDED: "WEST BERLIN IS ONE OF THE MOST DANGEROUS SPOTS ON THE GLOBE."

KHRUSHCHEV IS VISITING RIGA WITH AN EAST GERMAN DELEGATION HEADED BY EAST GERMAN COMMUNIST PARTY CHIEF WALTER ULBRICHT AND PRESIDENT OTTO GROTEWOHL.

THE PROPOSAL FOR A BALTIC NUCLEAR FREE ZONE WAS THE SECOND SUCH PROPOSAL KHRUSHCHEV HAS MADE IN THE PAST TWO WEEKS. EARLIER HE PROPOSED ONE FOR THE ADRIATIC AND BALKAN COUNTRIES TO INCLUDE ITALY, WHICH HAS ALREADY CONTRACTED WITH AMERICA FOR ROCKET BASES.

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WITH GENEVA

STOCKHOLM, JUNE 11 (AP)--NIKITA KHRUSHCHEV TODAY LASHED OUT AGAINST THE WESTERN POWERS FOR REFUSING TO ACCEPT THE LATEST SOVIET BERLIN PROPOSAL AND CALLED THE WESTERN POLICY "HIGHLY UNREALISTIC".

THE SOVIET PREMIER, SPEAKING AT A MASS MEETING IN RIGA, ACCUSED THE WEST OF REVIVING "THE POWER POLICY OF JOHN FOSTER DULLES, WHICH THE LATE U.S. SECRETARY OF STATE HIMSELF BEGAN TO REALIZE WAS WRONG IN HIS LAST DAYS."

IN HIS SPEECH, BROADCAST BY RADIO RIGA AND MONITORED IN STOCKHOLM, KHRUSHCHEV ATTACKED THE WEST GERMAN CHANCELLOR, KONRAD ADENAUER.

"WHEN ONE COULD FORESEE SOME ADVANCES IN THE RELATIONS BETWEEN THE GREAT POWERS ADENAUER STEPPED INTO THE PICTURE AND PUT A SPOKE IN THE WHEEL," KHRUSHCHEV SAID.

"THE WEST GERMAN CHANCELLOR DOES NOT EVEN TAKE INTO ACCOUNT THE OPINION OF HIS OWN PARTY - NOT TO MENTION THE OPPOSITION."

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(190) GREEK ATOMIC

WASHINGTON, JUNE 11 (AP)--PRESIDENT EISENHOWER TODAY SENT TO CONGRESS AN AGREEMENT WITH GREECE FOR TRAINING OF GREEK TROOPS IN USE OF ATOMIC WEAPONS AS PART OF THE NATO DEFENSE PROGRAM.

THE AGREEMENT DOES NOT CALL FOR TRANSFER OF NUCLEAR WEAPONS, BUT DOES AUTHORIZE SHIPMENT TO GREECE OF NON-NUCLEAR PARTS OF SUCH WEAPONS SYSTEMS.

THE PACT IS ONE OF A SERIES CONCLUDED RECENTLY WITH NORTH ATLANTIC TREATY COUNTRIES. IT WILL GO INTO EFFECT AUTOMATICALLY IN 60 DAYS UNLESS VETOED BY THE HOUSE AND SENATE.

AS IN THE CASE OF EARLIER AGREEMENTS WITH OTHER NATO NATIONS, EISENHOWER TOLD CONGRESS "THE INTRODUCTION OF MODERN WEAPONS INTO NATO FORCES SHOULD BE NO CAUSE FOR CONCERN ON THE PART OF OTHER COUNTRIES SINCE NATO IS A PURELY DEFENSIVE ALLIANCE."

THE NATO PROGRAM, EISENHOWER SAID, HAS BEEN UNDERTAKEN BECAUSE RUSSIA HAS "LEFT NO DOUBT THAT THE MOST MODERN AND DESTRUCTIVE WEAPONS OF ALL TIMES WERE BEING INTRODUCED INTO THE SOVIET ARMED FORCES." THE DEFENSE PROGRAM WAS AGREED UPON AT A PARIS CONFERENCE IN 1957.

THE PACT PROVIDES SPECIFICALLY FOR TRANSFER OF SECRET ATOMIC INFORMATION, AND FOR "THE TRAINING OF PERSONNEL IN THE EMPLOYMENT OF AND THE DEFENSE AGAINST ATOMIC WEAPONS AND OTHER MILITARY APPLICATIONS OF ATOMIC ENERGY."

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(400) NIGHT LEAD FOREIGN AID

BY ERNEST B. VACCARO

WASHINGTON, JUNE 11 (AP)--THE SENATE FOREIGN RELATIONS COMMITTEE VOTED LATE TODAY TO REQUIRE PRESIDENT EISENHOWER TO SUBMIT A SPECIFIC PLAN NEXT YEAR FOR AN EVENTUAL CUTOFF OF VIRTUALLY ALL GIFT ECONOMIC AID.

THE PURPOSE OF THE AMENDMENT IS TO SHIFT THE EMPHASIS FROM OUTRIGHT GRANTS TO REPAYABLE LOANS.

THE COMMITTEE ADOPTED A TONED-DOWN VERSION OF A PROPOSAL BY SEN. MIKE MANSFIELD (D-MONT). MANSFIELD WANTED TO SHUT OFF ALL GRANTS FOR SPECIAL ECONOMIC ASSISTANCE AND FOR DEFENSE SUPPORT BY JUNE 30, 1963.

EARLIER, THE COMMITTEE VOTED TO CURB ADMINISTRATION SECRECY ON FOREIGN AID SPENDING AND TO RESTRICT GOVERNMENT GUARANTEES ON PRIVATE INVESTMENT ABROAD TO THAT MADE IN UNDERDEVELOPED COUNTRIES.

THE THREE AMENDMENTS WERE WRITTEN INTO A \$3,930,000,000 FOREIGN AID AUTHORIZATION BILL ON WHICH THE COMMITTEE MAY COMPLETE ACTION TOMORROW OR MONDAY.

UNDER THE ANTISECRECY AMENDMENT, THE PRESIDENT WOULD BE OBLIGED TO MAKE PUBLIC ALL INFORMATION CONCERNING THE COUNTRY-BY-COUNTRY DESTINATION OF ALL MILITARY AND ECONOMIC AID "NOT DEEMED BY HIM TO BE INCOMPATIBLE WITH THE SECURITY OF THE UNITED STATES."

UNDER THE SECOND AMENDMENT, OFFERED BY SEN. GEORGE D. AIKEN (R-VT), THE GOVERNMENT WOULD BE FORBIDDEN TO GUARANTEE U.S. INVESTORS ABROAD AGAINST LOSS FROM WAR, CONFISCATION OR INABILITY TO CONVERT FOREIGN CURRENCIES INTO DOLLARS--EXCEPT ON INVESTMENTS IN NEWLY INDEPENDENT AND UNDERDEVELOPED AREAS.

UNDER THE THIRD AMENDMENT, THE PRESIDENT WOULD BE DIRECTED TO SEND TO CONGRESS NEXT YEAR FOR THE 1961 FISCAL YEAR FOREIGN AID PROGRAM A SPECIFIC PLAN FOR EACH COUNTRY RECEIVING DEFENSE SUPPORT OR SPECIAL ECONOMIC ASSISTANCE, PROVIDING FOR "PROGRESSIVE REDUCTION AND ELIMINATION" OF THAT AID.

EISENHOWER IS ASKING 835 MILLION DOLLARS FOR THE FISCAL YEAR STARTING JULY 1 TO BE APPLIED TO DEFENSE SUPPORTS FOR NATIONS LIKE KOREA, FORMOSA, GREECE AND TURKEY. DEFENSE SUPPORT IS ECONOMIC AID INTENDED TO HELP SUCH COUNTRIES MAINTAIN LARGER MILITARY FORCES THAN THEIR OWN ECONOMIES CAN SUSTAIN UNAIDED.

THE PRESIDENT IS ASKING 250 MILLION DOLLARS FOR SPECIAL ECONOMIC ASSISTANCE, WHICH GOES TO HELP FRIENDLY COUNTRIES STAY INDEPENDENT.

THE COMMITTEE VOTED TO BOOST FROM 500 MILLION DOLLARS TO ONE BILLION DOLLARS THE AMOUNT THE GOVERNMENT USES TO INSURE U.S. INVESTORS ABROAD, BUT REJECTED AN ADMINISTRATION RECOMMENDATION THE GUARANTEES COVER LOSSES FROM "REVOLUTIONS, INSURRECTIONS AND CIVIL STRIFE."

"IT'S PRIMARY PURPOSE IS TO STEER PRIVATE INVESTMENT CAPITAL INTO UNDERDEVELOPED AREAS OF ASIA, AFRICA AND LATIN AMERICA," AIKEN SAID OF HIS AMENDMENT.

"IT WOULD PREVENT INSURANCE FOR BIG BUSINESS ORGANIZATIONS AGAINST PLANTS THEY OPEN IN WELL DEVELOPED COUNTRIES."

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FIRST LEAD FOREIGN AID

WASHINGTON, JUNE 11 (AP)--THE SENATE FOREIGN RELATIONS COMMITTEE VOTED TODAY TO HALT GOVERNMENT GUARANTEES AGAINST LOSS ON PRIVATE INVESTMENTS ABROAD EXCEPT THOSE MADE IN "ECONOMICALLY UNDERDEVELOPED AREAS."

COMMITTEE EXPERTS SAID THE LANGUAGE LIKELY WOULD RULE OUT GUARANTEES FOR INVESTMENTS IN ALL WESTERN EUROPEAN COUNTRIES EXCEPT POSSIBLY SPAIN.

THE PROVISION WAS PUT INTO PRESIDENT EISENHOWER'S \$3,930,000,000 (B) FOREIGN AID BILL AS AN AMENDMENT BY SEN. GEORGE D. AIKEN (R-VT).

THE GOVERNMENT MAY NOW USE FOREIGN AID FUNDS TO GUARANTEE UP TO 500 MILLION DOLLARS OF PRIVATE INVESTMENTS ABROAD AGAINST LOSSES FROM INABILITY OF THE INVESTOR TO CONVERT FROM LOCAL CURRENCY TO DOLLARS, AS WELL AS FROM WAR AND CONFISCATION.

1959

THE COMMITTEE ALSO ADOPTED AN AMENDMENT DESIGNED TO REMOVE SECRECY LABELS FROM MOST FOREIGN AID SPENDING. IT WOULD REQUIRE THE PRESIDENT TO MAKE PUBLIC SEMI-ANNUALLY ALL INFORMATION CONCERNING IT NOT DEEMED BY THE PRESIDENT TO BE "INCOMPATIBLE WITH THE SECURITY OF THE UNITED STATES."

SEN. FRANK CHURCH (D-IDAHO) AND OTHER MEMBERS OF CONGRESS HAVE COMPLAINED THAT WHILE THEY ARE PERMITTED TO SEE COUNTRY BY COUNTRY BREAKDOWNS OF WHERE FOREIGN MILITARY AND ECONOMIC AID GOES, THEY ARE NOT PERMITTED TO MAKE THIS INFORMATION PUBLIC.

THE COMMITTEE OVERRULED PRESIDENT EISENHOWER YESTERDAY IN ADOPTING AN AMENDMENT CALLING FOR A FIVE-YEAR, FIVE-BILLION DOLLAR PROGRAM OF ECONOMIC DEVELOPMENT LOANS ABROAD, TO BE FINANCED BY BORROWINGS FROM THE TREASURY.

THE PRESIDENT PROTESTED TO THE COMMITTEE LAST WEEK AGAINST FINANCING THE PROGRAM OUTSIDE THE APPROPRIATIONS PROCESS. HE ALSO SAID THE 700 MILLION DOLLARS HE HAS ASKED IN APPROPRIATIONS FOR THE DEVELOPMENT LOANS FOR NEXT FISCAL YEAR WAS ENOUGH.

MEMBERS OF CONGRESS ARE NOW PERMITTED TO SEE THE COUNTRY-BY-COUNTRY BREAKDOWNS OF PROJECTED FOREIGN AID ABROAD UNDER RESTRICTIONS AGAINST MAKING THE FIGURES PUBLIC.

THE ADMINISTRATION CONTENTS THAT IF ONE COUNTRY LEARNS THAT A NEIGHBOR COUNTRY IS GETTING MORE, IT CREATES JEALOUSIES AND SUSPICIONS, AND DEMANDS FOR MORE FOR ITSELF.

CHURCH HAS PROPOSED AN AMENDMENT WHICH WOULD PERMIT WITHHOLDING INFORMATION CONSIDERED VITAL TO UNITED STATES SECURITY, BUT WOULD FORBID SUPPRESSION OF DATA "ON ACCOUNT OF THE SENSITIVITY OF ANOTHER COUNTRY."

ANOTHER AMENDMENT, OFFERED BY SEN. MIKE MANSFIELD (D-MONT) SIMPLY WOULD REQUIRE THAT INFORMATION AS TO THE DOLLAR VALUE OF MILITARY AID, DEFENSE SUPPORT AND ECONOMIC ASSISTANCE TO EVERY COUNTRY BE MADE PUBLIC AT THE END OF EACH CALENDAR YEAR.

WE802AED

B12WX (SEG)

ADVANCE FOR 1 PM EST TODAY

(380) DILLON-AID

(ADVANCE)CAMBRIDGE, MASS., JUNE 11 (AP)--C. DOUGLAS DILLON SAID TODAY AID TO UNDERDEVELOPED COUNTRIES MAY BE NEEDED "OVER THE NEXT 20, 30 OR PERHAPS EVEN 50 YEARS" TO DEFEAT THE COMMUNIST CHALLENGE.

DILLON, AS ACTING SECRETARY OF STATE, SPOKE TO THE SAME GROUP WHICH FORMER SECRETARY OF STATE GEORGE C. MARSHALL ADDRESSED 12 YEARS AGO IN LAUNCHING THE MASSIVE MARSHALL PLAN TO AID EUROPE.

DILLON SAID HELP TO UNDERDEVELOPED NATIONS WILL REQUIRE GREATER ENERGIES AND RESOURCES--"AND OVER A FAR LONGER SPAN OF TIME"--THAN THE FOUR-YEAR MARSHALL PLAN WHICH COST ABOUT FIVE BILLION DOLLARS A YEAR.

HIS SPEECH WAS PREPARED FOR A MEETING OF THE HARVARD UNIVERSITY ALUMNI ASSN.

DILLON WAS CONFIRMED THIS WEEK AS TOP UNDER SECRETARY IN THE STATE DEPARTMENT. HIS SPECIALTY IS ECONOMIC AFFAIRS.

DILLON SAID HELP TO THE BILLION PEOPLE IN BACKWARD FREE WORLD AREAS OF ASIA, AFRICA, THE MIDDLE EAST AND LATIN AMERICA WILL HAVE TO BE GREATER THAN THE POSTWAR PROGRAM FOR REBUILDING EUROPE BECAUSE THESE AREAS ARE SHACKLED BY AGE-OLD BONDS OF POVERTY AND IGNORANCE.

YET IT IS ESSENTIAL TO U. S. SURVIVAL TO HELP THESE AWAKENING PEOPLE, HE SAID, BECAUSE "WE CANNOT HOPE TO MAINTAIN OUR WAY OF LIFE SURROUNDED BY A SEA OF MISERY."

DILLON PICTURED THE COMMUNISTS AS SEEKING WORLD DOMINATION. HE SAID THE SOVIETS ARE INCREASING THEIR INDUSTRY AT A 7 TO 9 PER CENT YEARLY RATE COMPARED WITH AMERICA'S 4 PER CENT. HE SAID THEY ARE PUSHING FOREIGN TRADE AND AID, TOO, WITH THE AIM OF CAPTURING THE UNCOMMITTED PEOPLES.

HE SAID THE UNITED STATES SHOULD RAISE ITS ECONOMIC GROWTH TO AT LEAST 5 PER CENT A YEAR AND SHOULD CONTINUE TO FOSTER LOWER TRADE BARRIERS.

"THIS IS A CHALLENGE OF STAMINA AND PERSEVERENCE," DILLON SAID. "IT ENTAILS A COORDINATED, PERSISTENT EFFORT OVER THE NEXT 20, 30 OR PERHAPS EVEN 50 YEARS. WE HAVE NEVER IN OUR PEACETIME HISTORY FACED ANYTHING TO COMPARE WITH IT."

"THE SUCCESS OR FAILURE OF THIS EFFORT WILL DECISIVELY SHAPE THE FUTURE OF THIS EARTH FOR CENTURIES TO COME. . . I BELIEVE THAT AMERICANS CAN RISE TO THE CHALLENGE."

THE UNDERSECRETARY SAID THE INDUSTRIALIZED COUNTRIES OF THE FREE WORLD ARE JOINING IN THE DEVELOPMENT OF THE BACKWARD AREAS BUT THE UNITED STATES, AS THE WEALTHIEST NATION TODAY, MUST CONTINUE TO TAKE THE LEAD.

HE SAID ASSISTANCE IS BEING GIVEN ABROAD THROUGH THESE MEANS:

1. OUTRIGHT GIFTS TO COUNTRIES WHERE DEVELOPMENT IS JUST BEGINNING OR WHERE LARGE MILITARY FORCES MUST BE MAINTAINED FOR THEIR SECURITY.
2. LOANS, OFTEN REPAYABLE IN FOREIGN CURRENCIES, TO NATIONS SOMEWHAT MORE ADVANCED ECONOMICALLY.
3. PRIVATE INVESTMENT, WHICH HE SAID SHOULD BE EXPANDED.

GG339AED

A36WX (BJT)

AMS BUDGET (450)
NIGHT LEAD MISSILES

BY ELTON C. FAY

ASSOCIATED PRESS MILITARY WRITER

WASHINGTON, JUNE 11 (AP)—THE DEFENSE DEPARTMENT WORKED TODAY TO FIT DOLLARS AND WEAPONS INTO AN AIR DEFENSE MASTER PLAN (CAPS M, P) WHICH MUST BE HANDED CONGRESS TOMORROW.

PENTAGON FISCAL AND MISSILE EXPERTS HELD DAY-LONG SESSIONS; FINAL DETAILS WERE LEFT FOR CONFERENCES RUNNING INTO THE NIGHT.

INSTRUCTIONS ON THE GENERAL NATURE OF THE PLAN—WHICH INVOLVES THE ROUSING CONTROVERSY BETWEEN THE ARMY AND AIR FORCE OVER AIR DEFENSE MISSILES—WERE HANDED DOWN TWO DAYS AGO AT A WHITE HOUSE MEETING.

THERE SECRETARY OF DEFENSE NEIL H. MCELROY PRESENTED HIS PROPOSAL FOR A COMPROMISE WHICH WOULD CREATE A "MIX" OF BOTH THE AIR FORCE'S BOMARC AND THE ARMY'S NIKE HERCULES MISSILES, PLUS CONVENTIONAL INTERCEPTOR PLANE DEFENSES.

REPORTS TODAY SPECULATED THAT THE MASTER PLAN INCLUDED A CUTBACK ON THE NUMBERS OF MISSILE UNITS FOR EACH SERVICE AND ASSUMED THAT THIS COULD MEAN A CORRESPONDING SAVINGS IN MONEY OUTLAY.

PENTAGON OFFICIALS, OBVIOUSLY AWED BY EMPHATIC INSTRUCTIONS FROM THE WHITE HOUSE ABOUT TALKING PREMATURELY, HAD LITTLE TO SAY.

HOWEVER, SOME COUNSELLED CAUTION IN PREDICTING ANY IMMEDIATE LARGE SAVINGS AND WERE NOT TOO CERTAIN EVEN ABOUT THE EXTENT OF LONG RANGE ECONOMY.

MCELROY IS COMMITTED TO HANDING THE SENATE ARMED SERVICES COMMITTEE THE ADMINISTRATION'S MASTER PLAN BY 9 A. M., EST, TOMORROW.

THE JOB OF RECONCILING THE SHARPLY CONFLICTING PROPOSALS OF THE ARMY AND AIR FORCE WHILE AT THE SAME TIME ATTEMPTING TO MAKE AT LEAST TOKEN REDUCTIONS IN COSTS DEVOLVED PRIMARILY ON TWO OF MCELROY'S TOP AIDES--WILFRED J. MCNEIL, ASSISTANT SECRETARY AND COMPTROLLER, AND WILLIAM M. HOLADAY, MCELROY'S SPECIAL ASSISTANT FOR MISSILES.

THE MASTER PLAN HAD BEEN WORKED OVER FIRST BY THE MILITARY CHIEFS OF THE ARMY, AIR FORCE AND NAVY. MCELROY SAID LAST WEEK THAT THE JOINT CHIEFS HAD FAILED TO REACH COMPLETE AGREEMENT ALTHOUGH THE DISAGREEMENT WAS "NOT AS GREAT AS SOME PEOPLE MIGHT ANTICIPATE."

THE PENTAGON ORDER FOR A MIX OF BOTH THE HERCULES AND BOMARC WEAPONS WAS A COMPROMISE. HISTORICALLY, COMPROMISES MADE IN INTER-SERVICE QUARRELS HAVE NOT BEEN NOTED FOR SAVING MONEY.

30.24-7389

A DECADE AGO THE AIR FORCE AND NAVY FELL INTO VIOLENT CONTROVERSY OVER THEIR RESPECTIVE DEMANDS FOR MONEY AND PERMISSION TO BUILD BIG B36 BOMBERS AND BIG CARRIERS.

THE COMPROMISE WAS TO BUILD BOTH. THE B36 PROGRAM EVENTUALLY COST ABOUT 2 1/2 BILLION DOLLARS. THE NAVY WENT INTO CONSTRUCTION OF FORRESTAL CLASS CARRIERS WITH THE FINAL TOTAL COST TO BE ABOUT \$1,171,000,000. THUS, THAT COMPROMISE COST ALMOST 3 3/4 BILLION DOLLARS.

TWO YEARS AGO THE AIR FORCE BEGAN DEVELOPING ITS THOR INTERMEDIATE RANGE BALLISTIC MISSILE WHILE THE ARMY WENT AHEAD WITH ITS OWN JUPITER IRBM.

EACH INSISTED ITS WEAPONS WAS THE BETTER AND SHOULD BE USED. AGAIN A COMPROMISE WAS ARRIVED AT BY THE PENTAGON. THE TWO PROGRAMS EVENTUALLY MAY COST A TOTAL OF TWO BILLION DOLLARS, INSTEAD OF ONE BILLION FOR ONE OR THE OTHER.

LT/BU417PED

A69WX WX LOCALS OUT (240)

MISSILES

WASHINGTON, JUNE 11 (AP)—THE ADMINISTRATION'S MASTER PLAN FOR DEFENSE MISSILE DEVELOPMENT WILL BE PRESENTED TO THE SENATE ARMED SERVICES COMMITTEE FRIDAY IN CLOSED SESSION.

NO DETAILS HAVE BEEN GIVEN OUT ON THE HUSH-HUSH PLAN. IT IS DESIGNED, AMONG OTHER THINGS, TO SETTLE THE VIGOROUS DISPUTE OVER THE RELATIVE MERITS OF THE AIR FORCE'S BOMARC MISSILE AND THE ARMY'S NIKE-HERCULES SYSTEM.

BOTH OF THESE ARE ANTI-AIRCRAFT MISSILES. THE PLAN IS THOUGHT TO PROVIDE FOR DE-EMPHASIS OF THIS TYPE OF WEAPON IN THE YEARS AHEAD AND MORE CONCENTRATION ON ANTIMISSILE WEAPONS.

THE WASHINGTON POST, QUOTING WHAT IT DESCRIBED AS RELIABLE PENTAGON SOURCES, SAID THE PLAN CALLS FOR CUTTING BACK BOMARC PRODUCTION SHARPLY, TRIMMING THE NIKE-HERCULES PROGRAM SOMEWHAT LESS AND PLACING NEW EMPHASIS ON DEFENSE AGAINST THE INTERCONTINENTAL MISSILES THAT ARE REPLACING AIRCRAFT.

THE POST SAID ONLY MINOR REDUCTIONS ARE EXPECTED IN THE FISCAL YEAR STARTING JULY 1, BUT THAT BILLIONS IN SAVINGS COULD COME IN FUTURE YEARS AS A RESULT OF CUTTING BACK DEFENSES AGAINST MANNED AIRCRAFT.

ARMED SERVICES COMMITTEE CHAIRMAN RICHARD B. RUSSELL (D-GA) SCHEDULED THE CLOSED MEETING FRIDAY TO HEAR SECRETARY OF DEFENSE NEIL H. MCELROY AND OTHER PENTAGON OFFICIALS PRESENT THE PLAN.

THE FACT THAT THE SESSION WAS SET INDICATED THAT PRESIDENT EISENHOWER GAVE HIS APPROVAL TO THE PLAN EARLIER IN THE WEEK AT A HUSH-HUSH WHITE HOUSE CONFERENCE WITH TOP MILITARY, STATE DEPARTMENT, SCIENTIFIC AND FISCAL EXPERTS.

WE701AED

A147KA

PRECEDE WASHN DAY

SEATTLE, JUNE 11 (AP)—A BOEING BOMARC ADVERTISEMENT, QUESTIONED AT A CONGRESSIONAL HEARING AT WASHINGTON TODAY, WAS ONE OF A SERIES OF FOUR "PROVIDING BASIC FACTUAL INFORMATION TO THE PUBLIC AND FOR PUBLIC POLICY," THE BOEING AIRPLANE CO. SAID.

REPLYING TO CRITICISM BY REP. GAVIN (R-PENN) BEFORE THE INVESTIGATIONS SUBCOMMITTEE OF THE HOUSE ARMED SERVICES COMMITTEE, BOEING RELEASED THE TEXT OF A LETTER SENT JUNE 5 TO LYLE S. GARLOCK, ASSISTANT SECRETARY OF THE AIR FORCE.

THE LETTER WAS WRITTEN, BOEING SAID, BY HAROLD MANSFIELD, PUBLIC RELATIONS DIRECTOR, AND DESCRIBED THE ADVERTISEMENT UNDER ATTACK AS ONE OF A LONG-PLANNED SERIES. IT APPEARED IN THE WASHINGTON POST MAY 27 AS THE RIVALRY FOR FUNDS BETWEEN THE BOMARC AND THE ARMY NIKE-HERCULES WARMED UP.

REP. GAVIN ASKED AT TODAY'S HEARING SESSION: "WHOM WERE THEY TRYING TO INFLUENCE? MAYBE MR. ALLEN (BOEING PRESIDENT WILLIAM M. ALLEN) THINKS THERE'S A GENERAL MARKET IN THE WASHINGTON AREA FOR BOMARCS."

MANSFIELD'S LETTER, BOEING SAID, NOTED THAT THE CHALLENGED AD FOLLOWED BY ONLY A WEEK A "SIMILAR AND MORE EXTRAVAGANT ADVERTISEMENT" ON BEHALF OF THE NIKE MISSILE PROGRAM, WHICH SAID SOME 8,000 FIRMS WERE WORKING ON IT.

THE BOEING AD MENTIONED 3,600 SUBCONTRACTORS IN THE BOMARC PROGRAM. NO CHALLENGE OF THE NIKE ADVERTISEMENT WAS VOICED BEFORE THE HOUSE COMMITTEE, BOEING SAID.

THE ADVERTISING PROGRAM IN QUESTION HAS CONSISTED OF FOUR NEWSPAPER ADS WHICH HAVE APPEARED IN THREE DAILY NEWSPAPERS IN FIVE MONTHS, AT A COST OF APPROXIMATELY \$25,000, MANSFIELD LETTER SAID. PREPARATION OF IT BEGAN IN OCTOBER LAST YEAR AND THE ADS APPEARED ON JAN. 7, MARCH 25, APRIL 8 AND MAY 27, HE ADDED.

FJ944PCS

B15VX (Q)

(450) FIRST LEAD CONTRACT LEAKS

WASHINGTON, JUNE 11 (AP)—IS IT MUNITIONS LOBBYING WHEN A MISSILE MANUFACTURER, WHOSE PRODUCT IS INVOLVED IN HOT INTERSERVICE COMPETITION, BUYS DISPLAY ADVERTISING IN A WASHINGTON NEWSPAPER?

REP. LEON H. GAVIN (R-PA) RAISED THE QUESTION TODAY, WAVING A THREE-QUARTER PAGE ADVERTISEMENT BY THE BOEING AIRPLANE CO., MANUFACTURER OF THE AIR FORCE'S BOMARC. IT APPEARED IN THE WASHINGTON POST MAY 27, AS THE RIVALRY FOR FUNDS BETWEEN THE BOMARC AND THE ARMY NIKE-HERCULES GATHERED STEAM IN CONGRESS.

"WHOM WERE THEY TRYING TO INFLUENCE?" GAVIN DEMANDED. "MAYBE MR. ALLEN (BOEING PRESIDENT WILLIAM M. ALLEN) THINKS THERE'S A GENERAL MARKET IN THE WASHINGTON AREA FOR BOMARCS. MAYBE HE THINKS LOTS OF PEOPLE WOULD STEP UP AND BUY THEM."

HE SAID THE ADVERTISEMENT, SO FAR AS HE KNOWS, APPEARED ONLY IN WASHINGTON. IT WAS HEADED "MORE THAN 3,600 SUBCONTRACTORS HAVE PARTICIPATED IN THE BOMARC PROGRAM." THE TEXT OF THE ADVERTISEMENT SAID THESE SUBCONTRACTORS, MANY OF THEM SMALL BUSINESSES, WERE SCATTERED FROM MAINE TO CALIFORNIA AND FROM WASHINGTON TO FLORIDA.

PHILIP B. TAYLOR, AIR FORCE ASSISTANT SECRETARY FOR MATERIEL WHO WAS APPEARING BEFORE THE HOUSE ARMED SERVICES INVESTIGATIONS SUBCOMMITTEE, AGREED TO MAKE INQUIRIES AND TELL THE SUBCOMMITTEE WHETHER BOEING HAD DISCUSSED THE ADVERTISEMENT WITH ANYONE IN THE AIR FORCE AND HAD BEEN ENCOURAGED TO INSERT IT.

BUT TAYLOR INSISTED, UNDER GAVIN'S QUESTIONING, THAT THE ESTIMATED \$2,250 COST OF THE ADVERTISEMENT WAS NOT CHARGED TO THE GOVERNMENT IN ANY WAY THROUGH BOEING CONTRACTS.

THE SUBCOMMITTEE DID NOT APPEAR CONVINCED. GAVIN READ EARLIER TESTIMONY BY ALLEN THAT SOME ADVERTISING DID GET INTO OVERHEAD WHICH WAS CHARGED TO AIRCRAFT CONTRACTS.

TAYLOR SAID HE HAD SPECIFICALLY LOOKED INTO THE PARTICULAR ADVERTISEMENT "AND I FIND IT IS NOT IN ANY WAY PAID FOR BY THE GOVERNMENT. IT COMES OUT OF PROFIT. BOEING HAS LESS MONEY TO DISTRIBUTE TO ITS STOCKHOLDERS BECAUSE OF THIS AD."

"LESS TO DISTRIBUTE NOW, BUT PERHAPS MORE TO DISTRIBUTE LATER," CHAIRMAN F. EDWARD HEBERT (D-LA) REMARKED.

AND REP. PORTER HARDY JR. (D-VA) SAID, "IF NO PART OF THIS ADVERTISEMENT WAS PAID FOR BY THE U. S. GOVERNMENT, I'LL BE VERY MUCH SURPRISED."

TAYLOR AGREED UNDER QUESTIONING BY GAVIN THAT BOEING'S ADVERTISEMENT WAS "UNFORTUNATE . . . ILL ADVISED."

"A COMPANY RUNNING AN ADVERTISEMENT OF COURSE IS ANXIOUS TO GET ITS NAME AND PRODUCT BEFORE THE COUNTRY," TAYLOR SAID. "THIS HAPPENED WHEN THERE WAS A CONTROVERSY. I AM SURE BOEING WAS NOT UNCONSCIOUS OF THE CONTROVERSY. THEY'VE BEEN AROUND. I AM SURE THEY WANTED TO MAKE A GOOD IMPRESSION."

GAVIN SAID BOEING'S DEFENSE CONTRACTS TOTAL \$2,130,000,000 (B), EQUIVALENT TO MORE THAN NINE PER CENT OF ALL DEFENSE CONTRACTS.

"UNCLE SAM'S THE ONLY CUSTOMER HE'S GOT," GAVIN WENT ON. "HE DOESN'T HAVE TO SELL UNCLE SAM. HE'S GOT THE CONTRACTS ALREADY ON THE BOOKS."

AT YESTERDAY'S SESSION GEN. S. E. ANDERSON, AIR MATERIEL COMMANDER, CONCEDED THERE WERE INFORMATION LEAKS ON TWO BIG AIR FORCE CONTRACTS THAT COULD HAVE ENABLED STOCK MARKET SPECULATORS TO MAKE A KILLING. THE LEAKS WERE ON THE FINAL SELECTION OF CONTRACTORS FOR RESEARCH PROGRAMS.

ANDERSON SAID THE INFORMATION WOULD NOT HAVE HELPED ANY FIRM TRYING TO GET THE CONTRACTS, SINCE IN EACH CASE IT WAS THE IDENTITY OF THE SUCCESSFUL CONTRACTOR THAT BECAME KNOWN BEFORE THE OFFICIAL ANNOUNCEMENT.

BUT COMMITTEE MEMBERS SUGGESTED, AND ANDERSON DID NOT DENY, THAT THE INFORMATION COULD HAVE MADE MONEY FOR ANYONE BUYING THOSE AIRCRAFT STOCKS BEFORE THE OFFICIAL ANNOUNCEMENT. THERE WAS NO INDICATION THAT THIS ACTUALLY HAPPENED, HOWEVER.

ANDERSON DID NOT NAME ANY COMPANIES INVOLVED BUT SAID THE CASES INVOLVED SELECTION OF CONTRACTORS FOR THE DYNA-SOAR PROGRAM OF FLIGHTS INTO THE FRINGES OF SPACE AND FOR THE RESEARCH AND DEVELOPMENT OF A BOMBER USING ADVANCED FUELS.

ANDERSON SAID HE HAD ORDERED A THOROUGH INVESTIGATION INTO THE INFORMATION LEAKS "NOT SO MUCH TO FIX GUILT ON AN INDIVIDUAL AS TO DETERMINE HOW OUR SECURITY SYSTEM COULD BE IMPROVED."

THE TWO CASES, HE INDICATED, OCCURRED LAST YEAR. HE CITED THEM AS THE ONLY TWO LEAKS HE KNEW OF.

GG312AED

B103KA (Q)

BOEING-GAO

SEATTLE, JUNE 11 (AP)—WILLIAM M. ALLEN, PRESIDENT OF BOEING AIRPLANE CO., SAID TODAY HIS FIRM'S EARNINGS AFTER TAXES INDICATE NO UNWARRANTED PROFITS AFTER ADJUSTMENTS ON COMPLETED DEFENSE CONTRACTS.

ALLEN COMMENTED ON CRITICISM BY THE FEDERAL GENERAL ACCOUNTING OFFICE OF 14 DEFENSE CONTRACTORS, INCLUDING BOEING. HE SAID:

"IN THE YEARS IN QUESTION--1956 AND 1957--WHEN OUR BUSINESS WAS MAINLY MILITARY, THE COMPANY'S EARNINGS AFTER TAXES WERE 3.19 PER CENT AND 2.39 PER CENT OF DOLLAR VOLUME (SALES)."

"TOO OFTEN, CRITICISM OF INDIVIDUAL TRANSACTIONS CREATES AN IMPRESSION OF UNWARRANTED PROFITS, WHEREAS IN FACT OTHER DEVELOPMENTS CAUSE PROFIT REDUCTIONS. THE IMPORTANT FIGURES ARE THOSE RELATING TO THE COMPLETE PROGRAM."

"BOEING STOCKHOLDERS ARE FAMILIAR WITH THESE TOTAL RESULTS, REFLECTED IN THE COMPANY'S MODEST EARNINGS."

THE GAO CHARGED IN THE 14 CASES THAT FAULTY CONTRACT PROCEDURES RESULTED IN INFLATED COSTS AND PROFITS.

FJ11012PCS

B130X (Q)

(210) WILLIAMS CONTRACT

WASHINGTON, JUNE 11 (AP)—SEN. JOHN J. WILLIAMS (R-DEL) TOLD THE SENATE TODAY ANOTHER "EXCELLENT EXAMPLE OF A FLAGRANT POTENTIAL WASTE OF THE TAXPAYERS' MONEY" IN A DEFENSE CONTRACT HAD BEEN UNCOVERED.

THE CASE, HE SAID, INVOLVES A 1955 CONTRACT WITH THE MCDONNELL AIRCRAFT CORP., ST. LOUIS, FOR AIR FORCE F-101 VOODOO FIGHTER PLANES.

WILLIAMS SAID THE GENERAL ACCOUNTING OFFICE REPORTED THAT TARGET COSTS WERE EXCESSIVE BY \$5,193,000 (M) ON THE CONTRACT "AND THE GOV-

ERNMENT WILL INCUR RECESSIVE COSTS OF ABOUT \$1,506,000 UNLESS THE CONTRACT PRICE IS ADJUSTED.
MCDONNELL'S PROPOSAL, WILLIAMS SAID, WAS BASED ON CERTAIN SUBCONTRACT PRICES, BUT, PRIOR TO THE NEGOTIATIONS WITH THE AIR FORCE, THE COMPANY ALREADY HAD OBTAINED LOWER PRICES FOR ITS SUBCONTRACTED ITEMS THAN WERE USED IN THE PROPOSAL.
HE SAID THE CASE HAD BEEN REFERRED TO THE JUSTICE DEPARTMENT. WILLIAMS DECLARED THAT INCIDENT SHOWED FURTHER NEED FOR HIS BILL TO REQUIRE AWARD OF GOVERNMENT CONTRACTS ON A COMPETITIVE BID BASIS EXCEPT FOR CERTAIN NEL OR SECRET DEFENSE ITEMS.
WHEN HE INTRODUCED THE BILL THREE MONTHS AGO WILLIAMS DISCUSSED ANOTHER MCDONNELL CONTRACT ON WHICH HE SAID THE COMPANY'S COSTS WERE ABOUT SIX MILLION DOLLARS LESS THAN THE AMOUNTS USED IN ESTABLISHING THE PRICE. WILLIAMS SAID THE COMPANY OFFERED A THREE MILLION DOLLAR PRICE REDUCTION IN THIS CASE.
RJ332PED
A91AX (270)

NIGHT LEAD
BY HOWARD BENEDICT
CAPE CANAVERAL, FLA., JUNE 11 (AP)-THE AIR FORCE TODAY ABANDONED TO THE SEA A SMALL NOSE CONE THAT HARBORS SOME OF THE SECRETS FOR SHIELDING INTERCONTINENTAL RANGE NUCLEAR WARHEADS OF THE FUTURE.
A POWERFUL THOR-ABLE MISSILE CARRIED THE CONE ON A BLAZING 5,500-MILE SPACE FLIGHT OVER THE ATLANTIC EARLY TODAY. RECOVERY PLANES AND SHIPS WATCHED THE CONE'S FIERY RE-ENTRY BUT WERE UNABLE TO LOCATE IT IN THE WATER. THE SEARCH WAS CALLED OFF AFTER NINE HOURS.
THE AIR FORCE ANNOUNCED THAT THE RECOVERY CRAFT DID NOT RECEIVE SIGNALS FROM TINY RADIOS INSIDE THE CONE. NOR WERE THEY ABLE TO LOCATE A DYE MARKER DESIGNED TO AID RECOVERY.
HOWEVER, THE AIR FORCE REPORTED INSTRUMENTATION DATA SHOWED THE HUGE THOR-ABLE ROCKET SUCCESSFULLY DROPPED THE KNOB-SHAPED CONE AT THE PRE-SELECTED IMPACT AREA AND THAT THE CONE SURVIVED RE-ENTRY. IT IMPACTED NEAR ASCENSION ISLAND, THE LAST STATION ON THE ATLANTIC MISSILE RANGE.

A STATEMENT EMPHASIZED THAT THE PRIMARY MISSION OF THE FLIGHT WAS TO OBTAIN TELEMETRY DATA ON THE RE-ENTRY, WITH RECOVERY OF THE CONE CONSIDERED A BONUS.
"IF THE NOSE CONE HAD BEEN RECOVERED," THE STATEMENT SAID, "IT WOULD HAVE BEEN PHYSICAL VERIFICATION OF THE TELEMETRY RECEIVED."
THIS WAS THE NINTH NOSE CONE RE-ENTRY TEST FOR THE 90-FOOT THOR-ABLE ROCKET--A COMBINATION OF AN INTERMEDIATE RANGE THOR BALLISTIC MISSILE AND A MODIFIED VANGUARD SECOND STAGE. THE NOSE CONES WERE SUCCESSFULLY RETRIEVED FROM THE ATLANTIC ON THE LAST TWO SHOTS, ON APRIL 8 AND MAY 21.

TWO TIME-TESTED MATADOR GUIDED MISSILES ALSO WERE FIRED FROM THE CAPE TODAY. AT THE LAUNCHING CONTROLS WERE A CREW OF AIR FORCE MISSILE TRAINEES FROM THE 4504TH TACTICAL MISSILE WING AT ORLANDO, FLA.
THEY ALSO FIRED TWO OF THE 600-MILE RANGE MISSILES YESTERDAY. THE AIRMEN SOON WILL BE ASSIGNED TO STRATEGIC U.S. MATADOR LAUNCHING SITES OVERSEAS.

RY701PES
A61AX (AX IN)

CAPE CANAVERAL, FLA., JUNE 11 (AP)-TWO MORE DEADLY MATADOR ROCKETS WERE SCHEDULED FOR FIRING TODAY BY A CREW OF AIR FORCE MISSILE TRAINEES. THE 12 CREWMEN, MEMBERS OF THE 4504TH TACTICAL MISSILE WING AT ORLANDO, FLA., LAUNCHED TWO MATADORS YESTERDAY ON FLIGHTS OVER THE ATLANTIC.

THE FOUR FIRINGS CLIMAX SEVERAL WEEKS OF TRAINING FOR THE AIRMEN, WHO SOON WILL BE ASSIGNED TO STRATEGIC MATADOR LAUNCHING SITES OVERSEAS.

THE MATADOR IS DEPLOYED WITH U.S. TROOPS STATIONED IN GERMANY, FORMOSA AND SOUTH KOREA. THIS 600-MILE RANGE GUIDED MISSILE IS CAPABLE OF HOUSING A NUCLEAR WARHEAD.

LB533AES

30.24-7391

B96WX Q

(200) ATOMIC WASTE

WASHINGTON, JUNE 11 (AP)-SEN. RALPH YARBOROUGH (D-TEX) ACCUSED THE ATOMIC ENERGY COMMISSION TODAY OF "A BREACH OF FAITH" IN GRANTING A PERMIT FOR THE DUMPING OF ATOMIC WASTE MATERIALS IN THE GULF OF MEXICO.

HE TOLD THE SENATE THAT AEC REPRESENTATIVES HAD ASSURED HIM NO ACTION WOULD BE TAKEN UNTIL HE HAD BEEN FURNISHED WITH SAFETY REPORTS ON AN APPLICATION OF THE INDUSTRIAL WASTE DISPOSAL CORP. OF HOUSTON.

YARBOROUGH SAID THE AEC GRANTED A PERMIT TO THE COMPANY ON MAY 29 AND IT WAS NOT UNTIL JUNE 4 THAT HE RECEIVED THE REPORTS ON THE SAFETY OF DUMPING THE RADIOACTIVE WASTE MATERIAL IN THE GULF 150 MILES OFF THE COAST OF TEXAS.

HE SAID THE AEC'S ACTION WAS "IN DIRECT VIOLATION OF ASSURANCES GIVEN TO ME."

IN A SENATE SPEECH ON MAY 15 YARBOROUGH PROTESTED AGAINST THE PROPOSED DUMPING AND RAISED QUESTIONS ABOUT ITS EFFECT ON FISH LIFE IN THE GULF OF MEXICO AND THE GULF STREAM.

HE SAID THAT THREE DAYS LATER TWO AEC REPRESENTATIVES CAME TO HIS OFFICE AND TOLD HIM THERE WAS NO DANGER, OR VERY LITTLE DANGER, IN THE DUMPING OF ATOMIC WASTE MATERIALS DEEP IN THE GULF.

IT WAS AT THIS TIME, HE SAID, THAT HE WAS GIVEN ASSURANCES THAT HE WOULD BE FURNISHED WITH SAFETY REPORTS BEFORE A PERMIT WAS GRANTED.

SEN. CLINTON P. ANDERSON (D-NM), CHAIRMAN OF THE SENATE-HOUSE ATOMIC ENERGY COMMITTEE, TOLD YARBOROUGH HIS GROUP WOULD UNDERTAKE AN INVESTIGATION OF THE MATTER AS SOON AS IT COULD.

RZ1151PED

A149 UNITED NATIONS, JUNE 11 (AP)-THE INTERNATIONAL ATOMIC ENERGY AGENCY SAYS THAT WITHIN 2 1/2 YEARS 36 PROJECTS FOR NUCLEAR POWER REACTORS WILL BE PRODUCING ELECTRICITY. A NEW DIRECTORY LISTS 15 IN THE UNITED STATES, 8 IN BRITAIN, 4 EACH IN FRANCE AND THE SOVIET UNION AND 1 EACH IN BELGIUM, CANADA, CZECHOSLOVAKIA, WEST GERMANY AND SWEDEN.
VS1140 PED
Moved June 10

A30

(450)

AMS BUDGET

NIGHT LEAD FUCHS

BY GARVEN HUDGINS

LONDON, JUNE 11 (AP)-BRITAIN INTENDS TO FREE DR. KLAUS FUCHS, THE SUPER SPY WHO HELPED SOVIET RUSSIA BECOME AN ATOMIC POWER, AT THE END OF THIS MONTH. HE CAN GO TO THE COMMUNIST EAST IF HE WISHES.

HOME SECRETARY RICHARD A. BUTLER TOLD THE HOUSE OF COMMONS TODAY OF THE IMPENDING RELEASE OF THE MILD-MANNERED, GERMAN-BORN NUCLEAR SCIENTIST AND SAID HE WILL BE PERMITTED TO STAY IN BRITAIN OR GO ABROAD--WHICHEVER HE LIKES.

FUCHS, NOW 47, WAS SENTENCED MARCH 1, 1950, TO 14 YEARS IN PRISON FOR GIVING BRITISH AND AMERICAN ATOMIC SECRETS TO THE RUSSIANS WHILE HE WAS TOP SCIENTIST AT BRITAIN'S HARWELL RESEARCH STATION.

BUTLER CONTENDED FUCHS HAS BEEN OUT OF THE MAIN STREAM OF SCIENTIFIC RESEARCH SO LONG THAT HE NO LONGER IS DANGEROUS AND THAT IT WOULD BE WRONG TO HOBBLE HIM.

SCOTLAND YARD AGENTS ARRESTED FUCHS AT THE HARWELL LABORATORY NINE YEARS AGO ON A TIP FROM THE FBI. FUCHS HAD SEEN THE WORLD WAR II A-BOMB ASSEMBLED IN THE UNITED STATES. HE WORKED WITH AMERICAN SCIENTISTS AT OAK RIDGE, TENN.

HE CONFESSED TO CONTACTS WITH A SOVIET AGENT AT BOSTON AS PART OF SEVEN YEARS OF SPYING FOR THE KREMLIN THAT SOME AUTHORITIES TESTIFIED CUT FIVE YEARS OFF THE TIME IT WOULD HAVE TAKEN THE RUSSIANS TO PRODUCE

THE A-BOMB.

FOR GOOD BEHAVIOR BEHIND BARS, HE HAS WON THE MAXIMUM ONE-THIRD REMISSION OF SENTENCE.

HE WILL COME OUT, HOWEVER, AS A MAN WITHOUT A COUNTRY.

NATURALIZED HERE IN 1942, HE LOST BRITISH NATIONALITY WHEN HE WAS SENTENCED TO PRISON. REPORTS FROM HIS PRISON, BLEAK WAKEFIELD IN NORTHERN ENGLAND, SAY HE WANTS TO GO TO COMMUNIST EAST GERMANY TO LIVE WITH HIS 83-YEAR-OLD FATHER, PROF. EMIL FUCHS OF LEIPZIG UNIVERSITY.

BUTLER SAID THE GOVERNMENT THEORETICALLY COULD PREVENT HIM FROM LEAVING BRITAIN IF IT WAS FELT HE COULD DO FURTHER DAMAGE TO THE WESTERN ALLIES, BUT FELT THAT HE COULDN'T.

ASKED IF FUCHS MIGHT BE OF VALUE TO POTENTIAL ENEMIES, HE SAID:

"FUCHS HAS BEEN OUT OF TOUCH WITH NUCLEAR WORK FOR 10 (SIC) YEARS AND ANY KNOWLEDGE HE MAY HAVE HAD IN THIS FIELD IS OUT OF DATE IN VIEW OF THE VAST DEVELOPMENTS WHICH HAVE TAKEN PLACE SINCE.

"ALLOWING FOR NORMAL REMISSION, FUCHS WILL COMPLETE HIS SENTENCE AT THE END OF JUNE.

"HE WAS ON CONVICTION A NATURALIZED BRITISH SUBJECT.

"HE WAS THEREAFTER DEPRIVED OF BRITISH NATIONALITY.

"IT WILL NOT BE FOR THE GOVERNMENT TO DETERMINE WHERE HE SHOULD LIVE AFTER HIS DISCHARGE FROM PRISON. . . AS A MATTER OF POLICY IT SEEMS WRONG IN PRINCIPLE TO ATTEMPT TO USE THAT (GOVERNMENT) POWER TO PREVENT A MAN WHOM WE HAVE DEPRIVED OF BRITISH NATIONALITY FROM LEAVING THE UNITED KINGDOM, IF HE SO DESIRED."

THOUGH IT IS GENERALLY ACCEPTED THAT FUCHS' FIRST HAND KNOWLEDGE IS BEHIND THE TIMES, SOME FEARS STILL EXIST THAT HIS BRAIN WOULD BE OF VALUE TO THE RUSSIANS.

PRESSED REPEATEDLY ON THIS POINT, BUTLER SAID: "I DO NOT THINK IT POSSIBLE TO TAKE ANY OTHER COURSE THAN THE ONE WE ARE TAKING."

MJ347PED

AS7

(280)

BY COLIN FROST

BARROW IN FURNESS, ENGLAND, JUNE 11 (AP)-BRITAIN'S FIRST NUCLEAR SUBMARINE, THE DREADNOUGHT, GOES UP ON THE STOCKS FOR THE BEGINNING OF CONSTRUCTION TOMORROW, THANKS TO AMERICAN HELP.

PRINCE PHILIP, SAILOR HUSBAND OF QUEEN ELIZABETH II, WILL PRESS A SWITCH TO SWING A CYLINDRICAL HULL SECTION INTO POSITION ON THE SHIPYARD STOCKS, THE TIMBERED BUILDING CRADLE. THE SUBMARINE, BRITAIN'S FIRST ATOMIC VESSEL, IS EXPECTED TO TAKE TO THE WATER IN 1960.

DREADNOUGHT WAS FIRST PLANNED AS AN ALL-BRITISH AFFAIR BACK IN 1952. BUT LAST YEAR THE GOVERNMENT ABANDONED PLANS TO BUILD A BRITISH SUBMARINE REACTOR. INSTEAD IT ANNOUNCED NEGOTIATIONS WITH THE AMERICAN WESTINGHOUSE CORP. TO BUY A REACTOR OF THE TYPE USED IN THE U.S. NAVY'S LATEST NUCLEAR S-SUBMARINE CLASS, THE SKIPJACK.

BRITISH EMPLOYEES OF THE ADMIRALTY AND THE ROLLS ROYCE MOTOR CO. ARE BEING TRAINED IN USE OF THE REACTOR. THE U.S. NAVY IS HELPING TRAIN THE BRITISH SUBMARINERS WHO EVENTUALLY WILL MAN THE BRITISH-AMERICAN PRODUCT.

DREADNOUGHT WILL HAVE THE WHALE SHAPED HULL AND STREAMLINED CONNING TOWER THE AMERICAN NAUTILUS HAS MADE FAMILIAR. IT IS PLANNED TO GIVE HIGH UNDER-WATER SPEED WITH LONG ENDURANCE. MOST DETAILS OF DESIGN REMAIN SECRET. COST FIGURES HAVE NOT BEEN RELEASED.

THE DREADNOUGHT TYPIFIES THE IMPROVEMENT IN BRITISH-AMERICAN NUCLEAR RELATIONS. TEN YEARS AGO IT WOULD HAVE BEEN IMPOSSIBLE FOR U.S. AGENCIES TO GIVE THE SORT OF INFORMATION THE BRITISH ARE GETTING NOW.

VICKERS-ARMSTRONG, WHO WITH ROLLS ROYCE ARE MAINLY RESPONSIBLE FOR BUILDING DREADNOUGHT, HAVE BEEN GIVEN FULL LEAVE TO USE WHAT THEY KNOW OF THE SKIPJACK REACTOR IN THEIR OWN RESEARCH. VICKERS AIMS TO BUILD A SMALLER NUCLEAR ENGINE THAT COULD GIVE NATO ATOMIC SUBMARINES OF LESS THAN 1,000 TONS DISPLACEMENT.

UM742PED

A129 450

BY VERN HAUGLAND

ASSOCIATED PRESS AVIATION WRITER

WIESBADEN, GERMANY, JUNE 11 (AP)-SEVENTEEN DAYS IN THE SOVIET UNION HAVE CONVINCED JAMES DOOLITTLE THAT THE RUSSIANS ARE MOVING GRADUALLY TOWARD WESTERN IDEAS OF CAPITALISM.

DOOLITTLE BELIEVES THAT TRADE WITH THE SOVIETS IS DESIRABLE AS LONG AS IT IS RESTRICTED TO ITEMS THAT WILL NOT GIVE THEM MILITARY ADVANTAGE.

THE SAME TRAVEL PERIOD HAS PERSUADED A PROMINENT U.S. BUSINESS LEADER, FREDERICK C. CRAWFORD OF CLEVELAND, THAT THE SOVIETS HAVE DONE FAIRLY WELL AND HAVE PROGRESSED "BECAUSE THEY HAVE MADE EVERYONE WORK."

DOOLITTLE, BOARD CHAIRMAN OF SPACE TECHNOLOGY LABORATORIES, SANTA MONICA, CALIF., AND CRAWFORD, CHAIRMAN OF THOMPSON RAMO WOOLDRIDGE, WERE AMONG MORE THAN 40 AMERICAN MEMBERS OF THE INTERNATIONAL AERONAUTIC FEDERATION WHO FOLLOWED A WEEK'S CONFERENCE IN MOSCOW WITH TOURS OF THE SOVIET UNION.

THEIR TRAVELS IN SEPARATE GROUPS TOOK SOME OF THEM AS FAR EAST AS IRKUTSK, WEST TO ODESSA NEAR THE ROMANIAN BORDER, SOUTH TO ALMA ATA AND TASHKENT, AND NORTH TO LENINGRAD. EVERYWHERE THEY MET FRIENDLINESS AND CONSTANT REPETITION OF THE THEME THAT ALL MUST WORK FOR WORLD PEACE.

A THIRD OF THE SOVIET UNION--THE PARTS PRESUMABLY CONTAINING THE MOST IMPORTANT MILITARY CENTERS -- IS CLOSED TO FOREIGNERS. BUT FROM WHAT HE WAS PERMITTED TO SEE, DOOLITTLE CONCLUDES THAT BASIC SOVIET POLICIES WOULD HAVE TO BE CHANGED TO MAKE POSSIBLE REAL COOPERATION BETWEEN EAST AND WEST. HE LISTS THEM AS THE RUSSIAN OBJECTIVES OF WORLD COMMUNIZATION AND WORLD DOMINATION, AND THE COMMUNIST LAW OF EXPEDIENCY UNDER WHICH THE ENDS JUSTIFY THE MEANS.

DOOLITTLE SAYS THE RUSSIANS APPEAR TO BE APPROACHING CLOSER TO THE WESTERN IDEA OF CAPITALISM, AS EVIDENCED IN THEIR COLLECTIVE FARMS WHERE PRIVATE OWNERSHIP OF FURNITURE, AUTOMOBILES AND THE LIKE IS PERMITTED.

CRAWFORD SAYS HE WAS PARTICULARLY IMPRESSED WITH THE WAY THE SOVIETS HAVE STRESSED THE IMPORTANCE OF FOREIGN LANGUAGE TRAINING.

HE SAYS THAT ONE OF THE BEST THINGS IN RUSSIA HAS BEEN THE SPREADING OF EDUCATION--THE CONVERSION OF A NATION FROM ILLITERACY TO LITERACY.

CRAWFORD SAYS THIS MAY PROVE TO BE THE UNDOING OF COMMUNISM--"AS EDUCATION SPREADS IT WILL BE HARDER TO KEEP THE BRAINWASHING GOING."

CRAWFORD SAYS THAT WHILE THE FIRST GENERATION OF COMMUNIST LEADERS IS SINCERE AND DEDICATED IN ITS WILLINGNESS TO WORK HARD AND LIVE IN POVERTY, TO PROMOTE RED PRINCIPLES, THERE IS LITTLE IN HISTORY TO INDICATE THAT THE LATER GENERATIONS WILL BE WILLING TO DO LIKEWISE.

HE SAYS THE AMERICANS ALL OBSERVED THE VAST AMOUNT OF SOVIET EXPENDITURE IN NONPRODUCTIVE AREAS, SUCH AS CONSTRUCTION OF ELABORATE SUBWAY STATIONS AND REBUILDING OF WAR-DESTROYED PALACES OF THE CZARS.

THOMAS LANPHER, VICE PRESIDENT OF THE CONVAIR DIVISION OF GENERAL DYNAMICS CORP., SAN DIEGO, CALIF., SAYS HE IS "VERY MUCH IMPRESSED AND VERY MUCH DISTURBED" BY SOVIET DEVELOPMENT.

HE SAYS THE SOVIETS ARE "ON THE MOVE INTELLECTUALLY AND INDUSTRIALLY TO A DEGREE UNDREAMED OF BY THE GREAT MAJORITY OF OUR PEOPLE."

B1128AED

A125WX (VET PENSION, ADD)
VETS PENSION (170)

WASHINGTON, JUNE 11 (AP)-A FAR REACHING BILL TO OVERHAUL THE NON-SERVICE-CONNECTED PENSION PROGRAM FOR U.S. WAR VETERANS WON UNANIMOUS APPROVAL TODAY OF THE HOUSE VETERANS AFFAIRS COMMITTEE.

A COMMITTEE AIDE SAID THE BILL WILL BE CALLED UP IN THE HOUSE MONDAY. HE PREDICTED SPEEDY PASSAGE IN BOTH THE HOUSE AND SENATE.

THE BILL, BACKED IN ITS FINAL FORM BY ALL THE MAJOR VETERANS ORGANIZATIONS, WILL HAVE NO EFFECT ON VETERANS RECEIVING PENSIONS FOR DISABILITIES CONNECTED WITH MILITARY SERVICE.

THE MAJOR AIM, SPONSORS SAID, IS TO PUT THE NON-SERVICE-CONNECTED PENSION PROGRAM -- NOW COSTING THE GOVERNMENT ABOUT ONE BILLION DOLLARS A YEAR -- ON A NEED BASIS.

IN GENERAL BOTH PRESENT LAW AND THE NEW BILL BASE ELIGIBILITY FOR PENSIONS ON INCOME AND DISABILITIES IN THE CASE OF A VETERAN, AND ON INCOME IN THE CASE OF A WIDOW. THE NEW BILL PUTS MORE EMPHASIS THAN PRESENT LAW ON THE INCOME QUALIFICATION.

ALTHOUGH THE BILL WOULD INCREASE THE COST OF THE PROGRAM INITIALLY, SPONSORS PREDICTED IT WOULD SAVE THE GOVERNMENT 12 BILLION DOLLARS OVER THE PRESENT PROGRAM BY THE TURN OF THE CENTURY.

THE IMMEDIATE EFFECT WOULD BE TO INCREASE PENSIONS FOR AN ESTIMATED 70 PER CENT OF THE 805,000 VETERANS AND 450,000 VETERANS' WIDOWS NOW ON PENSION ROSTERS.

IN ADDITION, THE MEASURE WOULD MAKE AN ADDITIONAL 72,039 VETERANS AND 205,684 WIDOWS OF WORLD WAR II AND KOREAN WAR VETERANS ELIGIBLE FOR PENSIONS.

BUT THOSE GOING ON PENSION ROSTERS AFTER THE BILL WENT INTO EFFECT WOULD RECEIVE PAYMENTS ON A SLIDING SCALE BASED ON NEED.

"THIS CONCEPT OF A SLIDING SCALE IS THE KEY TO THE WHOLE REFORM," THE COMMITTEE AIDE SAID.

UNDER THE PRESENT PENSION PROGRAM BOTH SINGLE VETERANS WITH NO DEPENDENTS AND MARRIED VETERANS WITH DEPENDENTS RECEIVE \$78.75 A MONTH. THE BILL WOULD BOOST THIS TO \$85 A MONTH FOR SINGLE VETERANS AND \$90 FOR THOSE MARRIED OR WITH DEPENDENTS. WIDOWS NOW RECEIVE \$50.50 A MONTH. THE BILL WOULD BOOST THIS TO \$60.

THESE SCALES, HOWEVER, WOULD APPLY ONLY TO VETERANS AND WIDOWS PRESENTLY ON PENSION ROLLS AND TO THOSE ACCEPTED LATER WHO CAN PROVE MAXIMUM NEED.

TO WIN SUPPORT OF THE POLITICALLY POTENT VETERANS ORGANIZATIONS, THE BILL'S SPONSORS STIPULATED IN THE MEASURE THAT VETERANS AND WIDOWS NOW RECEIVING PENSIONS WOULD NOT BE DROPPED FROM PENSION ROLLS OR THEIR PENSIONS CUT.

AT PRESENT A SINGLE VETERAN CAN RECEIVE THE MAXIMUM \$78.75 A MONTH PENSION IF HE IS DISABLED AND HIS ANNUAL INCOME IS LESS THAN \$1,400. FOR MARRIED VETERANS THE INCOME CEILING IS \$2,700.

UNDER THE BILL, VETERANS GOING ON PENSION ROSTERS AFTER THE NEW PROGRAM WENT INTO EFFECT WOULD BE PAID ON THIS SCALE:

SINGLE -- \$85 A MONTH IF HIS ANNUAL INCOME IS \$600 OR LESS; \$70 IF INCOME IS \$600-\$1,200; \$40 IF INCOME IS \$1,200-\$1,800.

MARRIED -- \$90 A MONTH IF ANNUAL INCOME IS LESS THAN \$1,000; \$75 IF INCOME IS \$1,000-\$2,000; \$45 IF INCOME IS \$2,000-\$3,000.

WIDOWS -- \$60 A MONTH IF INCOME IS LESS THAN \$600; \$45 IF INCOME IS \$600-\$1,200; \$25 IF INCOME IS \$1,200-\$1,800.

IN ADDITION, THE BILL WOULD REQUIRE THAT THE INCOME OF A VETERAN'S WIFE AND THE VALUE OF THE VETERAN'S ESTATE BE TAKEN INTO CONSIDERATION IN DETERMINING PENSION ELIGIBILITY.

SPONSORS SAY THE BILL WOULD COST THE GOVERNMENT AN EXTRA 308 MILLION DOLLARS THE FIRST YEAR. BUT THEY SAY AN ACTUAL SAVING WOULD APPEAR BY THE FIFTH YEAR BECAUSE OF THE NEW PROVISIONS AND THE DEATH RATE OF WORLD WAR I VETERANS.

CZ1117PED

30.24-7393

A100

BERLIN, JUNE 11 (AP)-COMMUNIST EAST GERMANY HAS MADE ITS FIRST MOVE TO CLAMP DOWN ON VISITS BY EAST GERMANS TO WEST BERLIN, IT WAS REPORTED HERE TODAY.

INFORMATION BUREAU WEST (IWE), A PRIVATE INTELLIGENCE AGENCY, SAID OFFICIALS OF THE POTSDAM DISTRICT HAVE SET UP A COMMITTEE TO TAKE LEGAL ACTION AGAINST EAST GERMANS TRAVELING TO ADJACENT WEST BERLIN WITHOUT SPECIAL PERMISSION.

WW836PED

S129

HANAU, GERMANY, JUNE 11 (AP)-SEVEN SENTENCES OF LIFE IMPRISONMENT WERE HANDED DOWN TODAY AGAINST A NAZI POLICE OFFICIAL CONVICTED OF KILLING JEWS IN POLAND DURING WORLD WAR II.

WILHELM UNKELBACH, NOW A 46-YEAR-OLD BREWERY TRUCK DRIVER, HAD BEEN ACCUSED OF 30 KILLINGS. WEST GERMANY HAS NO DEATH PENALTY.

PS1228AED

S29

BONN, GERMANY, JUNE 11 (AP)-THE PLANNED ECONOMIC INTEGRATION OF THE SAAR INTO WEST GERMANY HAS BEEN PUT OFF UNTIL EARLY SEPTEMBER, IT WAS REPORTED TODAY.

FRANZ JOSEF ROEDER, MINISTER PRESIDENT (GOVERNOR) OF THE SAAR, TOLD NEWSMEN IT WILL TAKE UNTIL THEN TO DEAL WITH TECHNICALITIES INVOLVED IN THE TURNOVER. EARLIER OFFICIALS HAD PREDICTED THE INTEGRATION WOULD BE COMPLETED BY THE BEGINNING OF JULY.

THE SAAR, A HEAVILY INDUSTRIAL POCKET OF LAND ON THE FRENCH-GERMAN BORDER, WAS TAKEN OVER AND ADMINISTERED BY THE FRENCH AFTER WORLD WAR II. UNDER AN AGREEMENT IT BECAME A POLITICAL PART OF WEST GERMANY ON JAN. 1, 1957 BUT REMAINED ECONOMICALLY TIED TO FRANCE UNTIL THE LAST DAY OF 1959.

HB410PED

1959

B61 (Q)

(150)

MOSCOW, JUNE 11 (AP)-CZECHOSLOVAKIA'S MINISTER OF COMMERCE, FRANTISHEK KRAICHER, ARRIVED HERE FOR CONSULTATIONS WITH SOVIET OFFICIALS.

HIS ARRIVAL COINCIDED WITH A VISIT BY A LARGE EAST GERMAN DELEGATION HEADED BY EAST GERMAN COMMUNIST CHIEF WALTER ULBRICHT AND PREMIER OTTO GROTEWOHL.

IN THE DELEGATIONS ARE TRADE SPECIALISTS. THIS INCREASED SPECULATION THAT AN OLD PROJECT IS BEING DUSTED OFF FOR LINKING POLAND, EAST GERMANY AND CZECHOSLOVAKIA IN A SORT OF INDUSTRIAL FEDERATION.

THE SOVIET UNION AND THESE THREE NATIONS CONSISTUTE THE PRINCIPAL INDUSTRIAL MIGHT OF THE COMMUNIST WORLD. IN THE SOVIET UNION'S SEVEN-YEAR PLAN FOR ECONOMIC DEVELOPMENT, EACH OF THE THREE HAS BEEN GIVEN A FIELD IN WHICH TO SPECIALIZE.

DURING THE PAST FEW DAYS SOVIET PREMIER KHRUSHCHEV HAS BEEN CONFERRING WITH GROTEWOHL AND ULBRICHT. TASS SAID THEIR DISCUSSIONS COVERED SUCH POLITICAL QUESTIONS AS WEST BERLIN, THE GENEVA FOREIGN MINISTERS CONFERENCE AND PROPOSED NUCLEAR FREE ZONES IN CENTRAL EUROPE AND THE BALKANS.

JJ1115AED

B55 QUE IN

KX WX BA

OTTAWA, JUNE 11 (AP)-DEFENSE PRODUCTION MINISTER RAYMOND O'HURLEY SAID TODAY NORTHROP AVIATION OF CALIFORNIA IS MAKING PROPAGANDA IN CANADA FOR A PLANE IT IS TRYING TO SELL THE CANADIAN GOVERNMENT.

HE WAS COMMENTING IN THE HOUSE OF COMMONS ON NORTHROP'S STATEMENT EARLIER THIS WEEK THAT IT HAS INVITED 35 CANADIAN COMPANIES TO BID ON SUB-CONTRACTS FOR WEAPONS COMPONENTS.

NORTHROP, WHOSE VICE-PRESIDENT NOW IS IN OTTAWA, IS TRYING TO INTEREST THE CANADIAN GOVERNMENT IN BUYING ITS 156F FIGHTER PLANE FOR A ROYAL CANADIAN AIR FORCE DIVISION IN EUROPE.

O'HURLEY SAID HIS DEPARTMENT HAS NOT BEEN OFFICIALLY ADVISED OF THE NORTHROP ANNOUNCEMENT BUT WOULD BE INTERESTED IN ANY SUB-CONTRACTS CANADIAN FIRMS MIGHT OBTAIN.

DY822PED

A144

(140)

NEW YORK, JUNE 11 (AP)-THE COMMANDER OF THE U.S. SECOND FLEET SAYS RUSSIAN TRAWLERS OFF NEWFOUNDLAND ARE PROBABLY AFTER FACTS AS WELL AS FISH.

VICE ADM. WILLIAM R. SMEDBERG III MADE THE COMMENT TODAY WHEN ASKED ABOUT A NEWSPAPER REPORT THAT THE RED CRAFT WERE "FEEDING INTELLIGENCE" TO SUBMARINES IN THE ATLANTIC. THE REPORT WAS ATTRIBUTED BY THE NEW YORK JOURNAL-AMERICAN TO REAR ADM. ROBERT J. STROH, COMMANDER OF THE ATLANTIC ANTI-SUBMARINE DEFENSES.

"I'M CERTAIN THAT THE REAL REASON THE RUSSIAN TRAWLERS ARE OUT IS TO CATCH FISH," SAID SMEDBERG. "NATURALLY, THEY'LL COLLECT WHATEVER INFORMATION THEY CAN."

ASKED IF HE CONSIDERED THIS SPYING, THE ADMIRAL SAID HE CONSIDERED IT "GOOD, HEALTHY NORMAL INTELLIGENCE COLLECTION."

HE ADDED: "I THINK WE HAVE TO ACCEPT THE FACT THAT THEY ARE INTERESTED IN WHAT WE ARE DOING IN THE SAME WAY WHEN WE SEE RUSSIAN SUBS WE'RE INTERESTED IN WHAT THEY'RE DOING."

MM1136PED

B89WX Q

95

UN-AMERICAN

WASHINGTON, JUNE 11 (AP)-THE HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES TODAY POSTPONED HEARINGS SCHEDULED FOR THIS MONTH IN CALIFORNIA.

CHAIRMAN FRANCIS E. WALTER (D-PA) SAID THE HEARINGS PLANNED FOR SAN FRANCISCO JUNE 17 AND LOS ANGELES JUNE 22 WILL BE HELD INSTEAD IN THE FALL.

"THE RAMIFICATIONS OF THE COMMUNIST OPERATION IN CALIFORNIA ARE SO EXTENSIVE AND MALIGNANT," WALTER SAID, "THAT ADDITIONAL INVESTIGATIVE WORK MUST BE DONE BEFORE THE ACTUAL HEARINGS CAN BE HELD."

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END — JUNE 11, 1959

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